

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: ALFARO OIL & GAS, LLC, ITS MANAGERS)
OFFICERS AND DIRECTORS, AGENTS, EMPLOYEES,)
AFFILIATES, SUCCESSORS AND ASSIGNS and BRIAN K.)
ALFARO INDIVIDUALLY, and PINNACLE PARTNERS)
FINANCIAL CORPORATION, ITS MANAGERS, OFFICERS AND)
DIRECTORS, AGENTS, EMPLOYEES, AFFILIATES,)
SUCCESSORS AND ASSIGNS and BRIAN K. ALFARO)
INDIVIDUALLY.)

FILE NO. 1100296

CONSENT ORDER OF FINE

TO RESPONDENTS:

Alfaro Oil & Gas, LLC
21022 Gathering Oak, Suite 2103
San Antonio, Texas 78260

Pinnacle Partners Financial Corporation (CRD # 1455230)
21022 Gathering Oak, Suite 2103
San Antonio, Texas 78260

Brian Keith Alfaro (CRD # 4049120)
21022 Gathering Oak, Suite 2103
San Antonio, Texas 78260

c/o Christopher Seps, Esq.
Locke Lord Bissell & Liddell, LLP.
Attorneys and Counselors
111 South Wacker Drive
Chicago, Illinois 60606

WHEREAS, Alfaro Oil & Gas, LLC., by and through its Manager Brian Keith Alfaro ("Alfaro") and Pinnacle Partners Financial Corporation by and through its President, Alfaro, and Alfaro, individually ("Respondents", on November 8th, 2011, executed a certain Stipulation to Enter a Consent Order of Fine (the "Stipulation"), which hereby is incorporated by reference herein.

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WHEREAS, by means of the Stipulation, Respondents have acknowledged the jurisdiction of the Secretary of State and service of the Notice of Hearing in this matter and Respondents have consented to the entry of this Consent Order.

WHEREAS, by means of the Stipulation, Respondents have acknowledged that the following allegations shall be adopted as the Secretary of State's Findings of Fact:

1. That Respondent Alfaro Oil & Gas, LLC, a Texas corporation ("Gas") maintained a last known business address at 21022 Gathering Oak, Suite 2103, San Antonio, Texas 78260.
2. That Respondent Pinnacle Partners Financial Corporation, a Texas corporation ("Pinnacle") and a broker dealer maintained a last known business address at 21022 Gathering Oak, Suite 2103, San Antonio, Texas 78260.
3. That Respondent Brian Keith Alfaro individual, ("Alfaro"), managing member of Gas and agent and president of Pinnacle, a broker-dealer, ("Respondents") maintained a last known business address at 21022 Gathering Oak, Suite 2103, San Antonio, Texas 78260.
4. That in the third quarter of 2008, or thereabouts, a representative of Respondents through Pinnacle cold called at least one Illinois Investor ("Investor") and pursued the relationship for the purpose of selling to Investor interests known as the "North May Grande and Bastian Bay 3-D Joint Venture, a Texas partnership" at the price of \$70,388 per interest (the "Offering").
5. The purpose of the Offering was to raise funds as initial capitalization for drilling and testing two natural gas wells located in Texas and Louisiana and to enter into a turnkey and operating agreement with Alfaro and Gas as the managing member.
6. Subsequent to the foregoing solicitation, on December 3, 2008, Investor purchased the Offering, and signed a subscription agreement with Respondents and sent a \$26,800.00 check as and for the first stage payment.
7. On February 6th 2009 the investor sent a check in the amount of \$43,588.00 for completion of the well as set forth in the subscription agreement.
8. That the activities described in paragraphs 4 through 7 above constitute the offer and sale of a certificate of participation in a profit-sharing agreement or an investment contract and therefore a security as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
9. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.

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10. That Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and as a result the security was not registered pursuant to Section 5 of the Act prior to its offer and sale in the State of Illinois.
11. That Section 12.A of the Act provides, inter alia, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
12. That Section 12.D of the Act provides, inter alia, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.

WHEREAS, by means of the Stipulation, Respondents, Alfaro Oil & Gas, LLC., by and through its Manager Brian Keith Alfaro (“Alfaro”) and Pinnacle Partners Financial Corporation by and through its President, Alfaro, and Alfaro, individually have acknowledged that the following Conclusion of Law, which Respondents neither admit nor deny, shall be adopted as the Secretary of State’s Conclusion of Law:

That by virtue of the foregoing, Respondents have violated Sections 12.A and 12.D of the Act.

WHEREAS, by means of the Stipulation, the Respondents have acknowledged and agreed that they shall be FINED Seven Thousand Five Hundred dollars (\$7,500.00), to be paid by certified or cashier’s check, made payable to the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, by means of the Stipulation Respondents have acknowledged and agreed that they have submitted with the Stipulation a certified or cashier's check in the amount of Seven Thousand Five Hundred dollars (\$7,500.00), in payment of the FINE for violation of the Act. Said check has been made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, the Secretary of State, by and through his designated representative, has determined that the formal hearing scheduled in this matter should be dismissed without further proceeding.

NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. The Respondents shall pay to the Secretary of State a certified or cashier’s check a FINE in the amount of Seven Thousand Five Hundred dollars (\$7,500.00), payable to the Secretary of State, Securities Audit and Enforcement Fund, and on November 8th, 2011 has submitted a check for Seven Thousand Five Hundred dollars (\$7,500.00) in payment thereof.

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2. The formal hearing scheduled in this matter shall be and hereby is dismissed without further proceedings.

ENTERED: This 9th, Day of November, 2011.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Samuel F. Freiman
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
312-793-3384

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D. of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 3 felony pursuant to 815 ILCS 5/14.